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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	92058315
Party	Defendant M22, LLC
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Submission	Motion to Dismiss - Rule 12(b)
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

State of Michigan

Petitioner,

Proceeding No: 92058315

v.

M22, LLC,

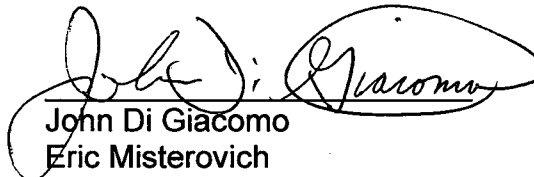
Registrant.

PARTIAL MOTION TO DISMISS

NOW COMES Registrant, M22, LLC, by and through its attorneys Newburg Law, PLLC, and for its Partial Motion to Dismiss Petitioner's Petition to Cancel states the following:

1. On December 3, 2013, Petitioner filed its Petition to Cancel with the Trademark Trial and Appeal Board.
2. Pursuant to Fed. R. Civ. P. 12(b)(6) and Trademark Trial and Appeal Board Manual of Procedure Rule 503, a motion to dismiss is proper where Petitioner has failed to state a claim on which relief can be granted.
3. To survive a motion to dismiss, Petitioner must allege facts that establish that (1) the Petitioner has standing to bring the proceeding; and (2) the Petitioner has a valid statutory ground for cancelling the registration.

4. Petitioner lacks standing to file its Petition to Cancel because Petitioner has failed to plead facts which, if later proved, would establish that it has a real interest in the outcome of the proceeding beyond that of the general public.
5. Registrant's M22 Apparel Mark may only be cancelled if it has become generic, was obtained fraudulently, falsely suggests a connection, or constitutes an insignia of the State of Michigan pursuant to 15 U.S.C. § 1064.
6. Petitioner has failed plead a valid statutory ground for cancelling Registrant's M22 Apparel Mark.
7. Registrant's M22 Retail Mark may only be cancelled if it has become generic, was obtained fraudulently, falsely suggests a connection, constitutes an insignia of the State of Michigan, is functional, is merely ornamental, misrepresents source, or is primarily merely geographically descriptive.
8. Excluding its allegation that Registrant's M22 Retail Mark is primarily merely geographically descriptive, Petitioner has failed to plead a valid statutory ground for cancellation of Registrant's M22 Retail Mark.
9. Consequently, Registrant moves for dismissal of all of Petitioner's claims, excluding Petitioner's claim that Registrant's M22 Retail Mark is primarily merely geographically descriptive.
10. Registrant relies on the attached Brief in Support of Partial Motion to Dismiss in support of its Motion.


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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
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State of Michigan

Petitioner,

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v.

M22, LLC,

Registrant.

BRIEF IN SUPPORT OF PARTIAL MOTION TO DISMISS

I. INTRODUCTION

Registrant hereby moves to dismiss Petitioner's Petition to Cancel in part for failure to state a claim upon which relief can be granted. Petitioner lacks standing to bring this proceeding because it has failed to plead facts which, if later proved, would establish that Petitioner has a real interest in the outcome of this proceeding beyond that of the general public. Additionally, with respect to its claims for cancellation on the basis that Registrant's marks are generic, were obtained fraudulently, falsely suggest a connection, constitute an insignia, are functional, are merely ornamental, and misrepresent source, Petitioner has failed to plead a valid statutory ground for cancellation. Consequently, these claims must be dismissed, leaving only Petitioner's claims that the M22 Retail Mark may be cancelled on the basis that it is primarily merely geographically descriptive.

II. FACTS

Registrant is M22, LLC ("M22"), a limited liability company organized under the laws of the State of Michigan, which was registered with the State of Michigan on May 19, 2003.

M22, LLC is the owner of several registered trademarks¹. At issue in this matter are the following two marks:



Mark: M 22 M22ONLINE.COM

International Class 025: Apparel specifically hats, t-shirts, long sleeve shirts, sweat shirts, pants, shorts, underwear, tank tops.

First Use In Commerce: January 1, 2004 ("M22 Apparel Mark")



Mark: M22

International Class 035: Retail store services featuring clothing, sporting goods, and novelty items.

First Use In Commerce: November 21, 2007 ("M22 Retail Mark")

(collectively, "M22 Marks").

M-22 is a Michigan state trunkline highway that originates in the resort community of Traverse City, Michigan and travels the Lake Michigan coastline, including west Grand Traverse Bay and the Sleeping Bear Dunes National Lakeshore, until its termination 3 miles north of Manistee, Michigan. This area of Michigan has long served as a coastal retreat for Chicago and Detroit residents and was recently named "Most Beautiful Place in America" by ABC News. See "Sleeping Bear Dunes Voted 'Most Beautiful Place in America,'" ABC News (2011), available at http://abcnews.go.com/Travel/best_places_USA/sleeping-bear-dunes-michigan-voted-good-morning-americas/story?id=14319616. Additionally, this area is home

¹ M22 for use in association with wine (Reg. No. 3427900), M22 for use in association with retail store services (Reg Nos. 3992151 and 3992159), M 22 M22ONLINE.COM for use in association with apparel (Reg. No. 3348635), and THE M-22 CHALLENGE for use in association with athletic competitions (Reg No. 3996410).

to a variety of cultural and recreational activities, including sailing, surfing, fly-fishing, kayaking, skiing, kiteboarding, numerous wineries and microbreweries, Michael Moore's Traverse City Film Festival, and the National Cherry Festival.

Since as early as 2003, Registrant M22, through its predecessor in interest Broneah, Inc., has sold a variety of goods, including apparel and wine, bearing the M22 Marks. Registrant has become widely known across the United States for its M22 brand, which has achieved wide popularity and notoriety within the kiteboarding industry and with millions of tourists from across the world who have visited northwestern Michigan and consider the area one of scenic beauty and relaxation. In short, M22 is not just a road, it is a way of life².

From 2003 to 2007, Registrant primarily sold its goods through retailers within the State of Michigan. In November of 2007, however, Registrant opened its first retail store located at 125 E. Front Street in the primary tourist-shopping district of Traverse City, Michigan. Since opening its retail store in 2007, Registrant has expanded the sale of its apparel to over 50 distributors in major Michigan cities, including in college towns such as East Lansing, Michigan, home of Michigan State University. Registrant has become so well known and respected within the State of Michigan that it was recently awarded the coveted "Michigan 50 Companies to Watch" award by Governor Rick Snyder. See "Michigan Celebrates Small Business," Michigan Small Business and Technology Development Center (2013), available at <http://www.michigancelebrates.biz/past-winners/2013-mcsb-award-winners/>. And, as of the filing of this Brief, Registrant has been recognized by the

² As expressed by Registrant's own website,

M-22 was created to express a common passion for Northern Michigan. It is marked by the simplicity and appreciation for natural wonders such as bays, beaches, and bonfires, dunes and vineyards, cottages, friends and family everywhere.

See "About Us," M22.com (2013), available at <http://www.m22.com/about-us>.

State of Michigan on its “Pure Michigan” website, which is a campaign intended to tout the benefits of doing business in the State of Michigan. See “Featured Michigan Businesses,” Pure Michigan (2013), available at <http://www.michiganbusiness.org/home-slides/#906technologies>.

Despite this recognition by the State of Michigan, the Attorney General issued an advisory opinion on May 29, 2012, which stated that no entity could lawfully obtain trademark rights in or to the M-22 sign under trademark law. See Michigan Highway Route Marker Design As Trademark, Mich. Att’y Gen. Op. No. 7265, available at <http://www.ag.state.mi.us/opinion/datafiles/2010s/op10344.htm>. State Representative Frank D. Foster initiated the political process leading to this opinion, which began after Registrant discovered that a company within Mr. Foster’s jurisdiction was producing counterfeit M22 products and selling them to tourists at her retail store. Subsequent to this discovery, Registrant sent the retail store a notice of infringement, and the retail store subsequently contacted Representative Foster, which ultimately led to the involvement of the Attorney General of Michigan. On December 3, 2013, Petitioner filed this Petition to Cancel with the Trademark Trial and Appeal Board.

Registrant now moves to dismiss Petitioner’s Petition to Cancel in part for Petitioner’s failure to state a claim on which relief can be granted.

III. STANDARD OF REVIEW

To withstand a Motion to Dismiss pursuant to Fed. R. Civ. P. 12(b)(6), a petitioner must allege facts that, if proven, would establish that the petitioner is entitled to the relief sought. See *Fair Indigo, LLC v. Style Conscience*, 85 USPQ2d 1536, 1538 (TTAB 2007). Specifically, the petitioner must allege facts that establish that: (1) the petitioner has standing to bring the proceeding; and (2) the petitioner has a valid statutory ground for cancelling the registration. *Id.* A “complaint must contain sufficient factual matter, accepted

as true, to 'state a claim to relief that is plausible on its face.'" *Ashcroft v. Iqbal*, 129 S. Ct. 1937, 1949 (2009), *quoting Bell Atlantic Corp. v. Twombly*, 550 U.S. 544, 570 (2007). "In the context of cancellation proceedings before the Board, a claim is plausible on its face when the petitioner pleads factual content that if proved, would allow the Board to conclude, or draw a reasonable inference that, the petitioner has standing and that a valid ground for cancellation exists." *Corporacion Habanos, S.A. & Empresa Cubana Del Tabaco, D.B.A. Cubatabaco*, 92052146, 2011 WL 3871952 (TTAB Aug. 1, 2011), *citing Twombly*, 550 U.S. at 556. The purpose of a Rule 12(b)(6) motion is to "eliminate actions that are fatally flawed in their legal premises and destined to fail...." *Meckatzer Lowenbrau Benedikt Weib Kg*, 95 U.S.P.Q.2d 1185 (TTAB May 13, 2010).

IV. ARGUMENT

Petitioner has failed to state a claim upon which relief can be granted because it (1) lacks standing to file a cancellation proceeding and, (2) with respect to several of its claims, has failed to plead a valid statutory ground for cancellation. Since Registrant's M22 Apparel Mark has been registered and used in commerce for over five years, Petitioner can only allege claims to cancel that mark pursuant to 15 U.S.C. § 1046, which states that a mark may be cancelled on the grounds that it has become generic, was obtained fraudulently, falsely suggests a connection, or constitutes an insignia of the State of Michigan. Since Petitioner cannot establish these statutory grounds as to either of the M22 Marks, these claims as to the M22 Marks must be dismissed. Additionally, Petitioner has failed to state a claim as to its allegations that Registrant's M22 Retail Mark is functional, is merely ornamental, and misrepresents source. For these reasons, Petitioner's Petition must be dismissed in part for failure to state a claim and Petitioner may only proceed on its claim that the M22 Retail Mark is primarily merely geographically descriptive.

a. Petitioner lacks standing to file a cancellation proceeding.

Section 14 of the Lanham Act states that a petition to cancel the registration of a mark may be filed “by any person who believes that he is or will be damaged....” 15 U.S.C. § 1064. In a TTAB matter, “[s]tanding is a threshold inquiry directed solely to establishing a plaintiff’s interest in the proceeding.” *Harjo v. Pro Football*, 30 USPQ 2d 1828 (TTAB Mar. 11, 1994). To plead standing, a plaintiff “must plead facts which, if later proved, would establish that the plaintiff has a real interest in the outcome of the proceeding, that is, a personal interest in the outcome of the case beyond that of the general public.” *Id.* The petitioner must show that it has “a reasonable basis for its belief in damage.” *Scott Smith*, 9205398, 2011 WL 4871877 (TTAB Sept. 22, 2011).

Petitioner cannot provide a reasonable basis for its belief that it will be damaged by the continued registration of Registrant’s M22 Marks and lacks a real and personal interest in the outcome of this proceeding. First, Petitioner has not used the M22 Marks in commerce in association with the sale of goods or services, nor has Petitioner ever alleged an intent to do so. Though Petitioner pleads that it “has used the M-22 sign continuously in interstate commerce for nearly a century,” Petitioner has never used the M22 Marks, or any colorable imitation thereof, in association with the sale of goods or services, which is a prerequisite to a “use in commerce.” See 15 U.S.C. § 1127 (defining “use in commerce” as a “bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark.”). Petitioner has never placed the M22 Marks on goods or used or displayed the M22 Marks in association with the sale or advertising of services, has never sought registration of the M22 Marks as a trademark, and has failed to plead that it has an intent to do so. Consequently, Petitioner has no real or personal interest in Registrant’s continued registration of the M22 Marks other than that of the general public and, therefore, it has failed to allege facts that would allow it to establish standing even through further factual development.

b. Petitioner has no valid statutory ground for cancelling Registrant's trademark registrations.

i. Petitioner's M22 Apparel Mark can only be cancelled if it has become generic, was obtained fraudulently, falsely suggests a connection, or constitutes an insignia of the State of Michigan.

Petitioner has failed to plead a valid statutory ground for cancelling Registrant's M22 Apparel Mark. Pursuant to 37 CFR 2.111, a petitioner must file a petition for cancellation and pay the required fee "within five years from the date of registration of the mark under the Act or from the date of publication under section 12(c) of the Act." 37 CFR 2.111(b). Where a petitioner has failed to file a cancellation proceeding within five years from the date of registration, the mark may only be cancelled pursuant to 15 U.S.C. 1046(3), which states,

At any time if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered, or is functional, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of section 4 or subsection (a), (b), or (c) of section 2 for a registration under this Act....

15 U.S.C. § 1064. Thus, after five years, Petitioner may only cancel Registrant's M22 Apparel Mark on the grounds that it has become generic, that it was obtained by fraud, that it is comprised of deceptive matter or falsely suggests a connection, or that it is comprised of an insignia of a State. Registrant's M22 Apparel Mark has been registered with the USPTO for over five years and, as a matter of law, Petitioner cannot meet these standards

for cancellation. Consequently, Petitioner has failed to state a claim on which relief can be granted³.

**1. Petitioner has failed to state a claim for cancellation of the
M22 Marks based on genericness.**

Petitioner has failed to allege that the M22 Marks are generic. This alone is reason to dismiss this portion of the claim. Even assuming Petitioner's Petition could be read to assert such a claim, Registrant's M22 Marks could never be understood by the relevant public primarily to refer to the genus of apparel or retail store services. When determining whether a mark is generic, the TTAB applies a two-step inquiry: First, which is the genus (category or class) of goods or services at issue and second, is the registered term understood by the relevant public primarily to refer to that genus of goods or services. See *H. Marvin Ginn Corp. v. International Association of Fire Chiefs, Inc.*, 782 F.2d 987 (Fed. Cir. 1986). The genus of the goods or services is determined by the description set forth in the certificate of registration. See *Reed Elsevier Properties, Inc.*, 482 F.3d 1376 (Fed. Cir. 2007). "T-shirt" is generic for t-shirts, M22 is not.

**2. Petitioner has failed to state a claim for cancellation of the
M22 Marks based on fraud.**

Petitioner has also failed to state a claim for fraud on the USPTO. "Fraud in procuring a trademark registration or renewal occurs when an applicant knowingly makes false, material representations of fact in connection with his application." *In re Bose Corp.*, 580 F.3d 1240 (Fed. Cir. 2009). "In petitioning to cancel on the ground of fraud, a petitioner

³ Though Registrant's M22 Apparel Mark can only be cancelled on these cited grounds, Registrant argues, in the following sections, that Petitioner has failed to plead a valid statutory ground for cancellation of either of the M22 Marks on these grounds.

must allege the elements of fraud with particularity in accordance with Fed. R. Civ. P. 9(b), made applicable to Board proceedings by Trademark Rule 2.116(a).” *E. & J. Gallo Winery*, 9204428, 2010 WL 2783899 (TTAB June 30, 2010) citing *Asian and Western Classics B.V. v. Selkow*, 92 USPQ2d 1478 (TTAB 2009).

Petitioner’s sole allegations of fraud, contained in ¶¶ 32 and 33, read as follows: “The M-22 Registration and the M-22 Online Registration were obtained fraudulently” and “Registrant knowingly misrepresented facts regarding the significance of the M-22 Sign....” This allegation fails to meet the pleading requirements for fraud because Petitioner has failed to allege the elements of fraud with particularity. Petitioner fails to allege any facts that were misrepresented, facts that show the significance of the M-22 sign, or facts that there was an intent to knowingly misrepresent on the part of Registrant. Petitioner has failed to state a claim upon which relief can be granted. *Id.* citing *In re Bose Corp.*, 91 USPQ 2d at 1939-40 (“These allegations fail to allege respondent’s intent to commit fraud on the Office. A pleading of fraud on the Office must include an allegation of intent.”).

3. Petitioner has failed to state a claim for cancellation of the M22 Marks based on §2(a) of the Lanham Act.

Petitioner alleges a false suggestion of connection in ¶¶ 19-27 of the Petition, wherein Petitioner pleads (1) that the M-22 sign represents and describes the culture of northern Michigan; (2) that Registrant chose the M-22 sign because of its geographic location; (3) that travelers to and within the State of Michigan associate the M-22 sign with the State; and, therefore, (4) the M22 Marks falsely suggest a connection with the State. But Petitioner has failed to meet both the pleading and substantive requirements of this cause of action and, therefore, dismissal is proper.

Section 2(a) of the Lanham Act prohibits the registration of a trademark where it,

Consists of or comprises immoral, deceptive, or scandalous matter; or matter which may disparage or falsely suggest a connection with persons, living or dead, institutions, beliefs, or national symbols, or bring them into contempt or disrepute....

15 U.S.C. § 1052(a). To survive a motion to dismiss, “a plaintiff must allege facts from which it may be inferred that the defendant’s mark points uniquely to plaintiff, as an entity – i.e., that defendant’s mark is plaintiff’s identity or ‘persona’ – and that purchasers would assume that goods and/or services bearing defendant’s mark are connected with plaintiff.” *Dallas C. Brown Jr.*, 9205096, 2010 WL 2946844 (TTAB July 12, 2010) citing *Univ. of Notre Dame du Lac v. J.C. Gourmet Food, Imports Co., Inc.*, 703 F.2d 1372 (Fed Cir. 1983). “Also, a properly pleaded claim of false suggestion of a connection must clearly assert either plaintiff’s prior use of defendant’s mark, or the equivalent thereof, as a designation of its identity or ‘persona,’ or an association of the same with the plaintiff prior in time to the defendant’s use.” *Id.* citing *In re Nuclear Research Corp.*, 16 USPQ 2d 1316 (TTAB 1990).

Petitioner has simply pled in ¶ 27 that “[r]egistration of the M-22 Sign is improper under Section 2(a) of the Lanham Act, 15 USC § 1052(a), as it falsely suggests a connection with the State of Michigan.” Petitioner’s false suggestion of a connection claim is deficient because it has failed to allege: (1) that Registrant’s M22 Marks are Petitioner’s identity or persona; (2) that consumers assume that goods or services bearing Registrant’s M22 Marks are connected with Petitioner; and (3) that Petitioner used the M22 Marks prior to Registrant as its persona or identity. Just as in *Dallas C. Brown Jr.*, where the petitioner “merely alleged that respondent’s use and registration of its MAJOR TAYLOR trademarks marks falsely suggest[ed] a connection with petitioner,” Petitioner’s false suggestion of a connection claim is deficient. *Dallas C. Brown Jr.*, 9205096, 2010 WL 2946844 (TTAB July 12, 2010) (“Here, petitioner has merely alleged that respondent’s use and registration of its

MAJOR TAYLOR trademarks marks falsely suggests a connection with petitioner. As originally pleaded, we find petitioner's false suggestion of a connection claim deficient.").

Had Petitioner properly alleged a false suggestion of connection claim, it still could not state a claim upon which relief can be granted because Registrant's M22 Marks, as stated above, are not the identity or persona of Petitioner or a close approximation thereof. "Under concepts of the protection of one's 'identity,' in any of the forms which have so far been recognized, the initial and critical requirement is that the name (or an equivalent thereof) claimed to be appropriated by another must be unmistakably associated with a particular personality or 'persona.'" *Univ. of Notre Dame du Lac v. J.C. Gourmet Food, Imports Co., Inc.*, 703 F.2d 1372, 1376-77 (Fed Cir. 1983); *see also Lesley Hornby a/k/a Lesley Lawson a/k/a Twiggy*, 9204436, 2008 WL 1897568 (TTAB April 22, 2008) ("[T]he purpose of the false suggestion of a connection language of Section 2(a) was to protect 'the name of an individual or institution which was not a 'technical' trademark or 'trade name' upon which an objection could be made under Section 2(d),' and that this statutory section embraces the concepts of the right of privacy and the related right of publicity."). Petitioner has failed to even allege that the M22 Marks are the personality or persona of Petitioner or that Petitioner has previously used the M22 Marks as its name or identity. *Intl Assn of Sufism Nader Angha*, 9202456, 2005 WL 2865171 (TTAB Oct. 20, 2005) ("Here, petitioner refers to an alleged false connection with 'Oveys-e Gharan (c. 7th Century).' Petitioner has not made the threshold showing that this name is its 'previously used name or identity.' Nor has the petitioner met any of the other requirements to show a false connection."); *Dallas C. Brown Jr.* at 7 ("Also, a properly pleaded claim of false suggestion of a connection must clearly assert either plaintiff's prior use of defendant's mark, or the equivalent thereof, as a designation of its identity or 'persona,' or an association of the same with the plaintiff prior in time to the defendant's use."). In fact, Petitioner recognizes in its own Petition that the "M-22

Sign... is not perceived by consumers as a mark... [and] is not perceived by consumers as a source indicator.” If, as Petitioner admits, consumers do not perceive the M-22 sign as an indicator of source, it cannot serve as the identity or persona of Petitioner because it fails to point to Petitioner at all.

As in *Notre Dame*, the M22 Marks are not names of the Petitioner and are not solely associated with the Petitioner. As admitted in ¶ 20 of Petitioner’s Petition, “The M-22 Sign represents and describes the culture of Northern Michigan. That culture is one of recreation and relaxation, vacations, cabins, lakes, Michigan wine, cherry orchards, sand dunes, water sports, skiing, hiking, and similar amenities immediately adjacent to the roadside.” Petitioner admits in ¶ 36 that “travelers have come to associate the M-22 Sign with those ‘natural aesthetic, ecological, environmental, and cultural amenities immediately adjacent to the roadside....’” The M22 Marks are not a name or a persona solely associated with the State of Michigan. They serve to identify a way of life and, thus, it cannot be said that the only “person” that the M22 Marks identify is the State of Michigan. See *Notre Dame* at 1377 (“As the board noted, ‘Notre Dame’ is not a name solely associated with the University. It serves to identify a famous and sacred religious figure and is used in the names of churches dedicated to Notre Dame, such as the Cathedral of Notre Dame in Paris, France. Thus, it cannot be said that the only ‘person’ which the name possibly identifies is the University and that the mere use of NOTRE DAME by another appropriates its identity.”).

Additionally, purchasers of apparel do not recognize the M22 Marks as the persona or identity of Petitioner, nor do they presume that Registrant has a connection with Petitioner⁴. See *In re Wm Distribution Inc.*, 78195284, 2005 WL 2769638 (TTAB Oct. 13,

⁴ Adopting Petitioner’s contention, that a road sign serves as the identity or persona of the State of Michigan, would result in an extreme expansion of the doctrine. Under Petitioner’s tenuous definition of

2005) (“That is, we must determine whether the term SANDIA is of sufficient fame that a connection with the federally recognized tribe ‘Pueblo of Sandia, New Mexico’ would be presumed by consumers of cigarettes.”). Petitioner does not sell apparel bearing the M22 Marks, nor has Petitioner plead that it ever intends to do so. *Id.* (“Cigarettes are everyday consumer goods which are sold in every town and every state in the United States. The fact that tribes are sovereign entities with the power to tax (or allow ‘tax-free’) goods and/or services is not evidence that consumers presume a connection between this particular Pueblo tribe and cigarettes.”). Petitioner has failed to plead that Registrant has ever indicated an association with the State of Michigan or that consumers have come to believe that there is an association between Registrant and Petitioner.⁵ And there is no dispute that there is no connection between Petitioner and Registrant. *See In re White*, 73 USPQ 2d 1713 (TTAB 2004) (“The next factor to consider is whether there is any connection between applicant, and the goods she plans to market under the APACHE mark, and the Apache tribes. The record reveals that there is not.”).

Even assuming, *arguendo*, that the M22 Marks do constitute Petitioner’s persona, name, or identity, Petitioner has failed to plead and cannot show that its name or identity is of sufficient fame that, when used with apparel, consumers would presume a connection between Petitioner and Registrant. *See in re Am Airpower Heritage Museum*, 76144075,

identity or persona, the Sleeping Bear Dunes, the Au Sable River (a famous Michigan river), or even Lake Michigan itself could be considered the “identity or persona” of the State.

⁵ It is worth noting that the only indication that Registrant is associated with Petitioner was created by Petitioner itself: Petitioner uses Registrant as an example of why businesses should operate in Michigan on its “Pure Michigan” website (<http://www.michiganbusiness.org/home-slides/#906technologies>) and the Governor of the State awarded Registrant with the coveted “Michigan 50 Companies to Watch” award in 2013 (<http://www.michigancelebrates.biz/past-winners/2013-mcsb-award-winners/>).

2004 WL 2750197 (TTAB Nov. 18, 2004) (“Finally, as to the last element, the person’s name or identity must be shown to be of sufficient fame that, when used on the involved goods, a connection between applicant and the named artist would be presumed by consumers.”). Simply put, consumers of apparel do not recognize the State of Michigan as a retailer of kiteboarding-inspired apparel or retail store services and, therefore, no factual development could establish that the use of the M22 Marks on apparel or retail store services would be presumed by consumers to have a connection with Petitioner.

4. Petitioner has failed to state a claim for cancellation of the M22 Marks based on § 2(b) of the Lanham Act.

Petitioner pleads that “[r]egistration of the M-22 Sign is improper under Section 2(b) of the Lanham Act, 15 USC § 1052(b), as it consists of (sic) insignia of the State of Michigan.” Since the definition of insignia under the Act is an incredibly high bar, and because precedent makes clear that Registrant’s M22 Marks do not meet that definition, Petitioner has failed to state a claim on which relief can be granted.

Section 2(b) of the Lanham Act prohibits the registration of any mark that, “Consists or comprises the flag or coat of arms or other insignia of the United States, or of any State or municipality, or of any foreign nation, or any simulation thereof.” 15 U.S.C. § 1052(b). In defining “insignia,” TMEP § 1204.02(a) states,

The wording “other insignia” should not be interpreted broadly, but should be considered to include only those emblems and devices that also represent governmental authority and that are of the same general class and character as flags and coats of arms...

The Trademark Trial and Appeal Board has construed the statutory language as follows:

[T]he wording “or other insignia of the United States” must be restricted in its application to insignia of the same general class as “the flag or coats of arms” of the United States. Since both the flag and coat or [sic] arms are emblems of national authority it seems evident that other insignia of national authority such as the Great Seal of the United States, the Presidential Seal, and seals of government departments would be equally prohibited registration under Section 2(b). On the other hand, it appears equally evident that department insignia which are merely used to identify a service or facility of the Government are not insignia of national authority and that they therefore do not fall within the general prohibitions of this section of the Statute.

TMEP § 1204.02(a). TMEP § 1204.02(c) recognizes that “Designs that do not rise to the level of being ‘emblems of national authority’ should not be refused,” and it lists several such designs, including the US Army logo, the seal of the Los Angeles Police Department, and the United States Postal Service logo. See TMEP § 1204.02. Additionally, “department insignia which are merely used to identify a service or facility of the Government are not insignia of national authority and... they therefore do not fall within the general prohibitions of this section of the Statute.” *In re the United States Department of the Interior*, 142 USPQ 506, 2 (TTAB 1964).

Based on TTAB precedent, it is clear that Registrant’s M22 Marks do not constitute insignia of the State of Michigan under Section 2(b) of the Lanham Act. Registrant’s M22 Marks are not emblems or devices that represent governmental authority or that are of the same general class or character as flags and coats of arms. Registrant’s M22 Marks are derived from a road sign, which does not rise to the level of an insignia as prohibited by § 2(b). In fact, not even the Statue of Liberty is considered an insignia under that section. *Liberty Mut. Ins. Co. v. Liberty Ins. Co. of Tex.*, 185 F. Supp. 895, 908 (E.D. Ark. 1960)

("That the Statue of Liberty is not a party of the 'insignia of the United States' is too clear to require discussion. Assuming without deciding that the Statue falls within the statutory concept of a national symbol, considerations of patriotism and of good taste might suggest that there should be no commercialization of the Statue. The Act, however, does not put national symbols on par with the flag, coat of arms, or other insignia of the United States, which many not in any event be made the subject matter of a trade or service mark."). The State of Michigan is not identified by the M22 Marks, but, rather, by its flag, its seal, and its name. See *In re American Red Magen David for Israel*, 222 USPQ 266, 5 (TTAB 1984) ("In the absence of any evidence that the State of Israel is identified by a six-pointed star in any other color, we conclude that only a light blue six-pointed star would be recognized as the insignia thereof."). Consequently, Petitioner has failed to state a claim on which relief can be granted.

There is no clearer example of that the M22 Marks do not constitute an insignia than the USPTO's own practice. TMEP § 1204.02(b) lists several examples of insignia that should be refused: the Great Seal of the United States, the Seal of the President of the United States, and the official seal of the United States Department of Commerce. TMEP § 1204.03, however, lists, examples of designs that should not be refused: the logo of the United States Army, the seal of the Los Angeles Police Department, the Statue of Liberty, the US Capitol Building, the United States Postal Service mailbox, and the NASA space shuttle. Additionally, since so many registered trademarks contain road signs and traffic signs, the USPTO has promulgated design search codes for these mark elements, including 18.15.01 – Stop signs, 18.15.03 – Other road signs, 18.15.25 – Other traffic signs, and 18.15.25 – Other traffic signs, including railroad signs and lights. The USPTO's own design search code examples include road signs, including the sign for Mexican Federal Highway 1 and the sign for US Route 66. See http://tess2.uspto.gov/tmdb/dscm/dsc_18.htm#1815.

Note: For similar designs, see 18.15.25.



Additionally, numerous registrations contain or are wholly comprised of state and federal street and route signs, including ROUTE 66 (Reg. No. 4442767), ROUTE 66 TIRE AND RUBBER HOT ROD UHP (Reg. No. 4116123), ROUTE 66 WHEELS (Reg. No. 3959959), PRODUCTIONS 495 (Reg. No. 3989306), INTERSTATE IWS (Reg. No. 4065436), HWY 1 (Reg. No. 4372637), INTERLOCK (Reg. No. 4307988), US-1 (Reg. No. 4158699), and HERITAGE ROUTE 23 (Reg. No. 4018569).⁶ These registrations make clear that marks containing road signs and elements of road signs do not constitute insignia of the federal government or the several states and, therefore, should not be denied registration (or, in this case, cancelled) under § 2(b) of the Trademark Act.

5. Petitioner's reliance on the MUTCD is misplaced.

The remainder of Petitioner's claims can only apply to the M22 Retail Mark. In support of its Petition, Petitioner relies on the Manual on Uniform Traffic Control Devices (the "Manual"). Petitioner contends that the Manual prohibits the use of any traffic control device design or application contained within the Manual from being protected under patent, trademark, or copyright law. Specifically, the Manual states:

Any traffic control device design or application provision contained in this

Manual shall be considered to be in the public domain. Traffic control devices

⁶ This mark is, ironically, owned by the Northeast Michigan Council of Governments, which is supported not only by Petitioner, but local municipalities.

contained in this Manual shall not be protected by a patent, trademark, or copyright, except for the Interstate Shield and any items owned by FHWA. See Manual on Uniform Traffic Control Devices 2009, pg. I-1. Thus, Petitioner asserts, trademark law cannot protect Registrant's mark because the provisions of the Manual prohibit the United States Patent and Trademark Office from granting a registration to Registrant.

First, the M-22 sign is not even contained within the Manual. The Manual is clear that "[t]raffic control devices **contained in this Manual** shall not be protected by a patent, trademark, or copyright...." Petitioner readily admits the following in its Petition:

The federal manual suggests a default design for state highway route markers with a white circle imposed on a black square featuring the respective highway number in black. But it allows states the option to create a unique design, and **Michigan chose to maintain its historic design—the M-22 Sign** – using a white diamond rather than a circle, and a block "M" over the black number.

Thus, Petitioner relies on the Manual, which states that no traffic control devices within the Manual will be protected by intellectual property law, but Petitioner readily admits that the M22 Marks are not contained within the Manual. In light of this, Petitioner's reliance on the Manual is in error and Petitioner has failed to state a claim on which relief can be granted.

Even assuming, *arguendo*, the M22 Marks are contained in the Manual, the Manual has no legal effect, is superseded by federal law, and cannot overwrite the specifically enumerated and limited grounds for the refusal of a trademark under 15 U.S.C. § 1052. Simply put, Petitioner requests that the Board expand the grounds for cancellation to include the text of an administrative manual, which is promulgated by the Department of Transportation and for which the states are its intended audience. Such a result would defy

the separation of powers and would result in an unprecedented expansion of the potential grounds for cancellation that was not intended by Congress.

“It is axiomatic that where there is a conflict between a statute enacted by the legislature and a rule or administrative regulation promulgated by an administrative agency... the statute must prevail.” *Melamine Chemicals, Inc. v. United States*, 732 F.2d 924, 927 (Fed. Cir. 1984). It is a basic principal of American government that “[a]ll legislative Powers... shall be vested in a Congress of the United States....” U.S. Const. Art. I § 1. Thus, where Congress’ intent, clearly stated within a duly enacted statute, comes into conflict with a regulation promulgated by an administrative body of the executive branch, Congress’ intent controls. *See United States v. Maxwell*, 278 F.2d 206, 210-11 (8th Cir. 1960) (“It is established law that legislative power rests in Congress and that the will of Congress as unambiguously expressed in a properly enacted statute cannot be amended or altered by regulation. Regulations are entitled to consideration in construing an ambiguous statute. However, a regulation to the extent it is in direct variance with an unambiguous statutory provision is clearly void.”).

Under the most charitable interpretation of Petitioner’s pleadings, Petitioner contends that the Manual on Uniform Traffic Control Devices is (1) directed at and binding on the Courts, the general public, and the several states and (2) supervenes Congress’ intent and legislation as evidenced by 15 U.S.C. § 1052, which addresses the grounds on which an application for trademark registration may be refused. Further, Petitioner requests that the Board infer that, since the State of Michigan “must adopt the federal MUTCD as a state regulation, adopt a state MUTCD that is approved by the Secretary of Transportation as being in ‘substantial conformance’ with the federal MUTCD, or adopt the federal MUTCD in conjunction with a state supplement,” Registrant’s registration of the M22 Marks must be

prohibited or the State of Michigan will not receive its federal highway and highway safety program funds.

First, under general principles of American government, Congress' legislation, namely, 15 U.S.C. § 1052, supervenes the interpretation of the US Department of Transportation on matters of intellectual property. U.S. Const. Art. I § 1. Thus, the Manual is neither mandatory nor persuasive authority for the determination of whether a mark is subject to cancellation under the Lanham Act. Second, even assuming that the Manual served as persuasive authority, Petitioner's implied argument, that, if the M22 Marks are allowed, it will lose highway funding, is irrelevant to the question of whether Registrant's M22 Marks are authorized under the Lanham Act. States are free to reject federal spending because Congress' ability to regulate under the interstate commerce clause does not grant Congress a plenary police power. See *United States v. Lopez*, 514 U.S. 549 (1995). Even assuming, *arguendo*, that the State of Michigan cannot get its highway funding because it has failed to comply with the Manual, the State's inability to comply with a permissive regulation that serves as a condition precedent to the receipt of federal funding is not a viable ground for cancellation under the Lanham Act. Petitioner will not, however, lose its highway funds because the Lanham Act supervenes the dictates of the Manual under federal law.

Finally, Petitioner's interpretation of the Manual is erroneous. First, the Manual's audience is the several states, not the general public⁷. Consequently, the Manual advises

⁷ Specifically, the Department of Transportation's website states:

Who Uses the MUTCD? And How?

In the public sector, the most obvious MUTCD users are the State and local transportation planners and traffic engineers who design our roads and locate the traffic control devices that help drivers navigate them safely.

both state and local transportation planners that they cannot obtain intellectual property rights in the traffic control devices contained in the Manual.

The reasons for this mandate are twofold. First, the Manual is created by a federal department and the federal government, by statute, cannot obtain copyright protection for its works. See 17 U.S.C. § 105 (“Copyright protection under this title is not available for any work of the United States Government....”). Since the federal government cannot obtain copyright rights to its works, it in turn would rightfully require states adopting those works to refrain from obtaining copyright rights in them as well. Second, the Manual provides numerous graphical examples of traffic control devices to be adopted by states as their own traffic control devices. If a state were to obtain copyright or patent rights in or to these graphical examples, it could preclude all other states from adopting them, which would render the national standards contained in the Manual, the very purpose of the Manual, useless. Thus, the Department of Transportation rightfully instructs the states that they cannot obtain intellectual property rights in any traffic control device design or application provision contained within the Manual. Consequently, Petitioner’s reliance on the Manual is in error and Petitioner has failed to state a claim on which relief can be granted.

6. Registrant’s M22 Retail Mark is not functional.

Petitioner contends that Registrant’s mark is functional and, therefore, prohibited from registration pursuant to Lanham Act § 2(e)(5), which states that no mark may be registered that “comprises any matter that, as a whole, is functional.” 15 U.S.C. § 1052(e)(5). A “product feature is functional,” and cannot serve as a trademark, “if it is essential to the use or purpose of the article or if it affects the cost or quality of the article.”

See Department of Transportation, Federal Highway Administration: Who Uses the MUTCD? (2013), available at <http://mutcd.fhwa.dot.gov/kno-users.htm>.

Qualitex Co. v. Jacobson Products Co., 514 U.S. 159, 165 (1995) (quoting *Inwood Laboratories, Inc. v. Ives Laboratories, Inc.*, 456 U.S. 844, 850, n. 10 (1982)). A functional feature is one that the “exclusive use of [which] would put competitors at a significant non-reputation-related disadvantage.” *Qualitex* at 165.

Since Registrant’s M22 Retail Mark is does not consist of product design or trade dress or contain a functional feature, and because the exclusive use of the M22 Retail Mark in association with retail store services featuring clothing, sporting goods, and novelty items would not put competitors at a significant non-reputation-related disadvantage, Registrant’s mark is not functional and Petitioner has failed to state a claim on which relief can be granted.

7. Registrant’s M22 Retail Mark is not merely ornamental.

Petitioner contends that Registrant’s M22 Retail Mark is mere ornamentation and, therefore, should be cancelled. On the subject of mere ornamentation, the TMEP states:

Subject matter that is merely a decorative feature does not identify and distinguish the applicant’s good and, thus, does not function as a trademark.

A decorative feature may include words, designs, slogans, or trade dress.

This matter should be refused registration because it is merely ornamentation and, therefore, does not function as a trademark....

Generally, the ornamentation refusal applies only to trademarks, not to service marks.

TMEP § 1202.03.

Registrant’s M22 Retail Mark, which is registered for use in association with retail store services featuring clothing, sporting goods, and novelty items, cannot be merely ornamental, as the M22 Retail Mark does not adorn and is not affixed to the retail store

services provided by Registrant. Since Registrant's M22 Retail Mark is a service mark, not a trademark, it is not reasonably subject to cancellation on the grounds of mere ornamentation and, therefore, Petitioner has failed to state a claim.

8. Registrant's M22 Retail Mark does not misrepresent the source of Registrant's services.

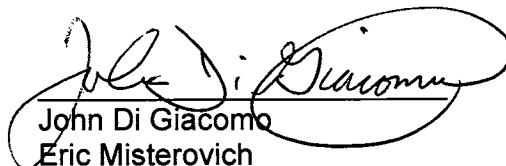
Under Section 14(c) of the Lanham Act, misrepresentation of source "refers to situations where it is deliberately misrepresented by or with the consent of the registrant that the goods and/or services originate from a manufacturer or other entity when in fact those goods and/or services originate from another party." *Osterreichischer Molkerei-und Kasereiverband Registrierte GmbH v. Marks and Spencer Limited*, 203 USPQ 793, 794 (TTAB 1979). A pleading of misrepresentation of source "must be supported by allegations of blatant misuse of the mark by respondent in a manner calculated to trade on the goodwill and reputation of petitioner." *McDonnell Douglas Corporation v. National Data Corporation*, 228 USPQ 45, 47 (TTAB 1985); see also McCarthy, J. Thomas, 3 McCarthy on Trademarks and Unfair Competition, § 20:60 (4th ed. 2007) ("A cancellation claim for misrepresentation under § 14(3) requires a pleading that registrant deliberately sought to pass off its goods as those of petitioner.").

Here, Petitioner has failed to plead that Registrant deliberately sought to pass off its retail store services as those of the Petitioner, nor has Registrant attempted to pass off its services as those of Petitioner. Petitioner has failed to recite specific facts reflecting Respondent's activity that, if proved, would amount to a deliberate misrepresentation of source. See *McDonnell Douglas* at 47 (Holding that petitioner failed to recite specific facts reflecting respondents activity that, if proved, "would amount to an attempt to create the impression that petitioner is the source of respondent's services."). Since Petitioner has

failed to allege such facts, Petitioner's claim fails as a matter of law. See *Otto Intl, Inc.*, 83 U.S.P.Q.2d 1861 (TTAB 2007).

V. CONCLUSION

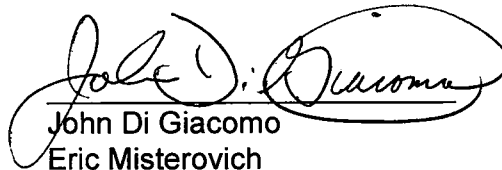
For the foregoing reasons, Petitioner's Petition to Cancel must be dismissed in part and only Petitioner's claim that the M22 Retail Mark may be cancelled on the basis that it is primarily geographically descriptive may proceed. Petitioner has failed to plead facts that, if later proved, would establish that Petitioner has a real interest in the outcome of this proceeding beyond that of the general public. Additionally, Petitioner has failed to plead a valid statutory ground for cancellation of the M22 Marks, excluding Petitioner's claim that the M22 Retail Mark is primarily merely geographically descriptive. Consequently, Petitioner has failed to state a claim upon which relief can be granted and dismissal is warranted as a matter of law.



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CERTIFICATE OF SERVICE

I, John Di Giacomo, an attorney, hereby certify that I served a true and correct copy of this Motion for Partial Dismissal and Brief in Support on counsel of record via First Class Mail on December 23, 2013.

A handwritten signature in black ink, appearing to read "John Di Giacomo", is written over a horizontal line.

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